



City Organization and Services Committee
1st Floor City Council Conference Room Area 'B'
100 W California Ave, Ridgecrest, CA 93555
Wednesday, June 24, 2015 (4th Wednesday each month)

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Draft Minutes

COMMITTEE MEMBERS

Lori Acton, Mike Mower, Solomon Rajaratnam, Cecil Yates

Regular Meeting – 5:00 p.m.

This meeting room is wheelchair accessible. Accommodations and access to City meetings for people with other handicaps may be requested of the City Clerk (499-5002) five working days in advance of the meeting.

CALL TO ORDER: Meeting was called to order at 5:00pm

ROLL CALL: Present: Lori Acton, Mike Mower, Solomon Rajaratnam,
Absent: Cecil Yates
Staff: Dennis Speer, Loren Culp, Rachelle McQuiston
Recording Secretary: K. Morrison

APPROVAL OF AGENDA *Motion To Approve Agenda as Amended Was Made By Mower, Seconded by Rajaratnam. Motion Carried By Roll Call Vote of 3 Aye (Acton, Mower, Rajaratnam), 0 Nays, 1 Absent (Yates), 0 Abstain*

APPROVAL OF MINUTES *Motion To Approve Minutes as Amended Was Made By Rajaratnam Seconded by Mower. Motion Carried By Roll Call Vote of 3 Aye (Acton, Mower, Rajaratnam), 0 Nays, 1 Absent (Yates), 0 Abstain*

PUBLIC COMMENT OF ITEMS NOT ON THE AGENDA

No Public Comment

DISCUSSION AND OTHER ACTION ITEMS

Examine the process for obtaining permits

Speer - Our city engineer is prepared to discuss the process and the specifics of that plan set that went misplaced.

Culp - I've done a lot of research with this. I've been in contact with all parties. I've got a good idea of the situation from all perspectives. What I found out is that the original plan set prepared was submitted and reviewed by the contractor. They advised the applicant to have a professional review the plans but it was submitted any way. Its form did not allow them to conduct a plan check. They sent it back. The original application was received on the 10th and the response was sent back on 17. The applicant needed to reply, made an attempt but did not respond to the comments. The plans needed to be submitted by a licensed professional. The plans were then sent back to applicant and he was notified by phone. There was a misplacement of the file during that time period. The comment sheet had been rolled up with other plan comment sheets and they did not realize that the applicant's comment sheet was in there. It was a month before it got back to the client. In the next submittal, there was non compliance to the comments made. He then hired a structural engineer to take care of structural issues and then went to subcontractors that were going to be a part of the project, and the plan checker at the county felt confident those people could make the plans for those parts of work. That has been done and many issues are now ok. New 2013 code requires AVA compliance. County indicated to the applicant that they are willing to have the client come in and address those issues and issue the permit over the counter. I've also been in touch with the county about their process and how they transfer plans. They've implemented a transmittal sheet. There is a sign off by anyone who is handling a set of plans.

Mower - When did they start that?

Culp - Just now.

Mower - Because mine sat around for a while.

Culp - They have implemented a plan transmittal procedure put in place June 9th. They have a way of tracking the plan, who was the last one to have it, and the way they are being handled. Inspections are made and an inspector will carry it to Tehachapi where it will be determined if Tehachapi can do it or if it has to go to Bakersfield. There will be some method to track where a plan has to go. There is a portion of the work that can be done in Tehachapi, but for specialized resources they are done in Bakersfield. Tehachapi is now going to be doing some of that. The county has also said they'll offer over the counter review for some permits if it's solar or a minor patio cover, a wall, a sign. Timing wise, they've said for the first plan check it takes about 6 weeks.

Mower - That's about right.

Culp - Depending on the compliance and if they've answered the comments, it can go to a second or third plan check, but the first plan check has the longest waiting period.

Mower - I can take a revised set of plans to them with 6 items on the last revision. I took them in to get stamped. Generally the second takes about 2 weeks, unless you drop them off here. But maybe this will solve the problem.

Culp - The transfer will occur on a Thursday.

Mower - How long will Tehachapi hold it?

Culp - They'll see if they can do it and if they can't they transfer it to Bakersfield on Tuesday.

Rajaratnam - Are there any plans that have been approved by Tehachapi without sending it to Bakersfield?

Culp - I'd have to find out.

Rajaratnam - I don't know why they have that step between.

Mower - if I take the revised plans and carry them over there, I get the approval in a week. Supposedly if you take the corrections in, that goes on the top of the pile. But they won't approve them over the counter. They want to review them.

Culp - I've found similar time intervals for people I've queried. I found it true with consultants that the first one takes the longest, then the second, then the third, and so on.

Mower - I talk to someone who said not to send it to a consultant because they will nitpick you to death, so we'd rather stay with Bakersfield than do that.

Culp - Looking at the different options, its best that we stay with the county.

Mower - The advantage of California City is you don't get tag teamed. Inspector A comes over and writes you up for 6 items and then inspector B comes over and okays those items and writes you up for 4 more. But in all fairness if we have inspectors in house they do that too.

Culp - They have said they understand that concern and are trying to get someone for Ridgecrest.

Mower - The problem with a tag team is that each inspector may nitpick in their specific areas of expertise. They may find different things and they can't overlook that.

Culp - That's what they're telling me as well.

McQuiston - But you don't want them to over look them.

Acton - There should be a checklist and it should be consistent. They all check the same items and they're either right or wrong. That's not what's happening and that's why this is an issue.

Culp - The job card has major groupings of inspections and the detail falls underneath that. Also speaking moneywise, if we look at the financial aspect, the county is by far our most financially economical for the applicant and the city. There's a benefit we have with the county in that they share our facilities and pay half the wages for 2 of our staff members. The cost of the inspection is where our significant savings are. They also provide all the california code books. That's \$1300 every few years when the code books get update. A consultant charges \$95 per hour, and that will be 2 hours to drive here and there are multiple inspections on the home. Imaging how many trips that will be.

Mower - You'd get about 8 inspections.

Culp - The standard inspection is around \$1300 for an inspection. California City is the same way. They have to reach Ridgecrest and then there is the time for the inspection. But for the County, they're coming over here anyway to do work for county applicants so we don't have to pay for them to get here. Plan checkwise, the county charges 62% of plan check fees. Consultant charges 75%. I have not gotten a percentage yet from California City. Time wise, if you look at time, the consultant is committed 7-10 days on first plan check. Then 5 days for 2nd plan check

and even less for a 3rd. They have a whole host of resources of plan checkers specialized in any area. They have the resources to do it quickly. The county does also but it takes more time. It takes 6 weeks for that first plan check.

Mower - They're busy. Everywhere but Ridgecrest is going good.

Acton - And the consultants aren't? If they can do it in that time with those resources why can't the county do it faster?

Mower - I don't have a problem with it. We know in advance it will take 6 weeks. You just submit it early enough.

Culp - There is a possibility that we could offer the applicant a service through the consultant if they're in a hurry and they are willing to pay the cost.

Speer - They used to offer streamlined surface. It was council driven. They would offer overtime to any plan inspectors who wanted to do that off their regular hours.

Mower - That's an option we can explore.

Culp - Certainly. I do know the county has consultants themselves to provide that service.

Acton - Now that the county has implemented a tracking method. It really comes down to what inspector.

Culp - They do have a rotating system at the moment. I've relayed that concern to them. They're conscious of it and grooming someone for our area, and they have committed to doing over the counter reviews for minor reviews.

Tom Wiknick- Before the plans leave Ridgecrest, they should know if Tehachapi is going to do something to start with. When they turn the plans in here, we should have enough information. We could save 5 days.

Culp - The variable might be if the workload in Tehachapi is such that it has to go to Bakersfield.

Speer - It's probably a project by project determination.

Mower - If it gets plan checked in Tehachapi it should be faster.

Tom - It seems every time the council raises a ruckus, things get better for a while. I remember hearing before that they were going to have a Ridgecrest person.

Mower - We've had some good inspectors and some bad inspectors.

Tom Wiknick- The council should be doing that continuously. What concerned me is the billing. At first it's framed like we get a good deal because they never send us a bill, but what if they send several all at once.

Speer - If we got billed for prior bills it would get pushed into the next budget.

MCquiston - I've called them and said we need a bill.

Mower - but one of the building inspectors said we weren't even paying so why should they come. How would the inspector even know that?

McQuiston - they should be mad at out county person.

Acton - Where do we go from here?

Culp - This is a preliminary report. I still have Craig Platt who is going to respond to me on what California City is proposing. I just wanted to provide my perspective on what I've seen.

Mower - That plan shouldn't have even gone to Bakersfield without a wet sign.

Culp - It does require a professional and there were several responses back that they didn't have a stamped set of plans. There were two sides of this story and frustration on both sides.

Mower - I haven't been able to submit a plan without an engineer stamp for many years.

Examine the original ordinance that requires sewer impact fees to go into their own fund and decide either to change the ordinance or stop comingling them

McQuiston - It says charges will be deposited into three separate accounts, which they are. The one thing is the sewer connection fees will be expended solely for planning, designing, and building the sewers described in the sewer improvement plan. We don't separate out how they're spent. The collection charges are \$8,500 a year. I don't know how much we spend in the improvement plan. Capacity fees will be expended solely for the purpose of planning and inspecting that \$60,000 a year. We haven't budgeted offsite facilities, but we're showing the revenues in the NAWS waste water billing when the money comes in. It's about 300,000. It may be more next year given the increase. [See below for the handout provided at the meeting.]

Stan Rajtora - What about people that bring in waste water from septic tanks. Where does that go. Isn't that an offsite?

Speer - It's not a lot of money.

Stan Rajtora - it was just raised by a factor of 5 or 10.

Speer - That was about 4 or 5 years ago.

McQuiston - Does that go to us?

Speer - It's collected by waste water. There was a person in that trade that was caught illegally dumping in manholes.

Mower - So they didn't have to pay for it.

McQuiston - I'm not sure where it goes. I'll have to look.

Stan Rajtora - The ordinance is there for a reason. I don't know what the legalities are. Is it the states requirement?

Speer - All of the fees listed have to be in their separate accounts and if they're expended they have to be placed in a specific appropriation account to be expended. They could be comingled in a temporary investment account.

Stan Rajtora - But it seems we are comingling them.

McQuiston - They are in an investment account right now.

Speer - Which is allowed, if it's traceable and separable. We account for all the money in there.

Mower - We know how much is in each fund.

Stan Rajtora - I don't hear anyone expending it.

Speer - We have.

McQuiston - I'll have to find out.

Stan Rajtora - I thought the ordinance was to keep track of this and spend them on certain things. It's hard to track the money in the waste water account. Money comes in from all over and is being spent all over.

Speer - But state law does a deal as far as state audit controller, an enterprise that money can't go into the general fund. Waste water and transit are both by definition an enterprise account.

McQuiston - I can take a look but I don't know how much we've collected or expended.

Stan Rajtora - Is there any reason we can't change the ordinance so that it goes into the waste water and we don't have to worry about it?

Speer - The ordinance is very specific that they can only be expended for the things we collected.

Stan Rajtora - But it's our ordinance? If there isn't a reason it was done that way, why not simplify it?

Speer - I can have the city clerk pull the discussions that led up to that decision.

Mower - And if we want to make a change we have to run it by the attorney.

Stan Rajtora - If there was a reason and if it still exists, are we still complying?

Speer - They felt a reason to collect the fees for the purpose and the purpose is what they specifically outline what these fees can be expended for. Some goes offsite to recover costs of facilities.

Culp - Anyone outside that line has to help pay in.

Speer - We're only there to operate the facility.

Stan Rajtora - We didn't buy it so there shouldn't be a reimbursement. We're just operating it. We never purchased it. So people who come in afterwards, why should they have to pay?

Speer - They're paying for the treatment cost. We own the collection system.

Culp - There is a boundary showing what area is served.

Stan Rajtora - okay, so it's the lines that determines, not the sewer plant. But do we really need those three pots?

Culp - Back in the mid-90s, there was an assembly bill passed and fees started getting out of hand so legislature decided there needed to be a cap to control fees. Assembly bill 1600 said there has to be a rationalization. A purpose must be defined what the fee is being used for and an actual fee.

Mower - That would explain why the ordinance was written that way.

Culp - And you had to have a report that identified what the fee was for. I think it resulted from that.

Stan Rajtora - but every year we go over some of our impact fees that we have. We did it just a month or 2 ago and looked at the impact fees. But these fees aren't included in that review.

Mower - These aren't part of the impact fees we pay with the building permit

Stan - If you don't pay a capacity fee, you don't get to build a house.

Mower - I'd have to look. There's a connection and capacity fee and then the impact fee is separate.

McQuiston - I'll have to take a look.

Stan Rajtora - Are we really not comingling them?

Speer - Our Finance Director says we do keep them separate and we can combine them for investment purposes.

Stan Rajtora - It's when you spend it that you have to account for it.

Speer - It's 12-20.1 and 12-20.2 in our ordinances.

McQuiston - It says it was revised in 2002.

Chip Holloway - The state came back in. That disallowed other fees but I thought it was later than that year. On the rate study, there are four components that go into the rate treatment or collection. I don't know if that's standard or if they use our actual numbers. That might be why we have to write it up.

Acton - Are we satisfied with this? You got your answers you were looking for?

Stan Rajtora - As long as we are keeping track of it and know how much is in there. I've never heard where we spent any of that money.

Chip Holloway - We were overspending more than we were collecting until we did the rate increase.

Speer - We would have been underwater by now.

Examine the data regarding navy sewer fees to determine if they are paying their fair share

Speer - There's been a lot said but the Navy is always been paying what they're supposed to pay, but the city negotiated an agreement that had the language in there that the Navy doesn't have to negotiate to pay a higher rate until the city conducts a rate study analysis and then increases the rate across the board. That wasn't done until 2012/2013. That point in time I noticed that in looking at the comprehensive rate study that was prepared for council, one of the lines in the nonresidential rates was in fact the navy. The council approved that rate increase. It was applied accross the board. I told Karen Harker to send it to the Navy. I took the contract out. It doesn' say the navy will pay what we come up with but that they will renegotiate with us. They did agree it was time to the increase and they will pay the amount that has been computed. They're first rate increase has raised their rates by 98%. In 2013 they started at 0.51. They will be paying 2.21 by next year per this modification.

Mower - They're paying four times next year what they were. My question is if we build a plant, shouldn't they have to pay 30% of the cost of building it.

Tim Fox - Factored in to that is the fact that the plant sits on 350 acres that we let the city use rent free. We're modifying the easement and adding 10 acres. We're modifying the terms of the easement since it's up in 2026.

Speer - or 2023.

Tim Fox - In the process of doing these easment modifications, one of the things the navy will be looking at, as we always do for any entity using gov't land, we charge a fair market value for the use of land. We're looking at an in kind benefit the navy recieves from the city that is similar or the same as the fair market value.

Acton - However it's BLM land that you're renting.

Tim Fox - The easement is with the navy.

Mower - It gets a little complicated.

Speer - From an engineering standpoint, the best place to put it is adjacent to the existing location on the base. But there's an IRS rule that if you use it over 10%, then you can't sell tax exempt bonds. We ran some numbers. What's the difference if we went out on the market with taxable bonds? They said its 20 million dollars more.

Tim Fox - It doesn't make a difference where it's built.

Speer - But it's also on their land.

Stan Rajtora - We have our own area we could put it on. Why should we pay for something they use 30% of? We could have our own.

Speer - We'd have to construct an interceptor in the line and redo the line. We could do that.

Stan Rajtora - I understand they raised their fee 98% and then 50 and then 40. I did an analysis of the last 10 years and they were only paying 58% of what they were supposed to pay during that time.

Mower - That was our fault.

Stan Rajtora - There was no underpayment. But the only way you can tell if they're paying their fair share is to look at what they're spending on the things that they're responsible for. They aren't responsible for sewer lines and some other things. But if you compare what we're spending, they should pay 30%.

Acton - That's why we had the rate study done.

Stan Rajtora - I don't think it acknowledged they aren't paying for certain things. They should be paying 30% of 'x'.

Mower - So if it costs 1 million to operate the plant, they should pay 300,000.

Stan Rajtora - Exactly. We must look at what they're paying.

Mower - They're probably paying over 300,000 now.

Stan Rajtora - But they're also responsible for part of the administrative fees and transfer fees of 400,000 or 450,000. Even if you take out all of the stuff they shouldn't be paying for, if you look at the cost, they should be paying 30% of the total cost. In the projection for FY15 budget, it says we'll be paying out 4.9 million dollars. If you subtract from that what the navy is not responsible for paying for, if the number is 1.5 million, then 30% of that is 450,000. The finance department should be able to figure out what elements of the whole fund are being spent in support of the waste water treatment and the administrative and the transfer and then we could figure out if they're paying enough.

Speer - And that's what we looked at.

McQuiston - And 2 million is for engineering surfaces for the new plant.

Acton - so they are.

Stan Rajtora - but I'm assuming the navy will reimbursement for that as well.

Speer - Our consultant is coming back in October and they'll present their updated report to city council. They hit a brick wall when this issue came back that we don't know if we could build it where we wanted it due to the finance. Their direction was to build it on NAWS and build a secondary plant. I told them to regroup and do an analysis on NAWS and on the fairgrounds. Do a side analysis and a costing for a secondary plant and also a cost analysis for a tertiary plant on both plans, including capital and projected operation costs. The council will determine what site they want to move forward with.

Mower - Financing is a big point on that. We need to know who's going to buy that water.

Speer - Clovis bought a tertiary facility and they have no buyer. Our consultant told the counsel then that before you build a tertiary plant you need an end user. Our consultant did mention that we could always design it like a modular plan so it could be added.

Acton - I feel they're paying what they're supposed to be paying but we can discuss it this fall.

COMMITTEE MEMBER COMMENTS

No committee member comments.

SUPPORT STAFF COMMENTS

No support staff comments.

FUTURE AGENDA ITEMS

- Examine the process for obtaining permits

NEXT MEETING

➤ July 22, 2015 at 5:00 p.m.

ADJOURNMENT at 6:19 p.m.